

I have been asked several times to comment on the current Memorandum of Understanding (MOU) between the Department of Economics at Florida State University and the Charles Koch Foundation. I have reviewed the current version of this MOU and the university's relationship with the Koch Foundation. Contrary to misinformation being circulated, the current version of the agreement contains no provisions that violate the academic freedom of the faculty or the students or threaten the integrity of the university's policies regarding faculty governance.

The original 2008 MOU raised concerns among some faculty. Former President Barron asked the Faculty Senate to review the agreement, and the Senate appointed an ad hoc committee of faculty to do so. The committee reviewed the 2008 MOU, discussed it with the broader faculty, and in 2011 made a series of recommendations for changes to the MOU and gift acceptance policies. Changes to the MOU were made and have been reviewed by the Faculty Senate Steering Committee, at my request. The President of the Faculty Senate, Dr. Gary Tyson, recently sent Vice President Sally McRorie the attached memo from the Senate Steering Committee in which he indicates that the members of the Steering Committee "do not believe that the 2013 MOU interferes with faculty governance, nor restricts academic freedom of faculty or students."

The changes made in the current MOU protect against potential donor influence over faculty hiring decisions. A decision to hire is made entirely by the faculty of the department and the Dean, in accordance with university policy. **After the decision to hire is made, a separate decision** may be made to apply to the Koch Foundation for grant funding to support the position. The hiring decision is made based on the willingness and ability of the Dean and the department to support the position with university funds regardless of any subsequent grant funding decision eventually made by the Koch Foundation. The Koch Foundation is an external source to which a request for grant funding may be made, of which there are many at the university.

The faculty members of the economics department feel strongly that any attempt to limit their ability to obtain funding from the Koch Foundation is a violation of their academic freedom. The Chair of the department, Dr. Mark Isaac, stated, "I

believe that any attempt by anyone, be they students, faculty, or external groups, to tell members of my department that they may not make a grant application to a foundation because 'we don't like that foundation' is, at a minimum, a gross violation of academic freedom."

Similarly, there is no donor control over the curriculum in the economics department. All decisions regarding course offerings and content are made by the Graduate and the Undergraduate Studies Committees of the department and the faculty members teaching the courses.

The "alternative undergraduate program" in economics to which some so strenuously object is actually referred to in the 2013 MOU as an Economics Club. This club is now a registered student organization on campus, subject to all the rules governing such organizations, including that the students choose their faculty advisor.

The ad hoc faculty committee's recommendations regarding the receipt of gifts by the FSU Foundation were sound. Gift policies have been reviewed to ensure that the autonomy and integrity of the faculty processes regarding hiring and curricula are preserved. Deans and Vice Presidents overseeing units accepting gifts are required to review and approve gift agreements, and have been instructed to consult with faculty and department chairs within their respective areas prior to signing an agreement. In addition, gift agreements are reviewed in advance by the FSU General Counsel's Office, and gift agreements over \$100,000 require review and signature by the Vice President for University Advancement, the Provost, and the President of the University.

Tom Jennings, Vice President for University Advancement, made it clear again last week that no gifts involving any curricular or hiring issues will be accepted without input from the Dean and the faculty involved. "I am asking the FSU Foundation to again review its gift acceptance policies to ensure that donors, their relatives, and their business associates have no control over the awarding of funds to individuals. Nor should they have influence over any faculty performance reviews, faculty or administrative appointments, or curriculum decisions."



With regards to the "secrecy" claims, it should be noted that four senior FSU officials signed the 2013 MOU; then President Barron, then Provost Stokes, Vice President Jennings, and Dean Rasmussen. It was also reviewed by the General Counsel's staff. This was hardly a secret document, except perhaps to those who were not at all concerned about it at the time.

In sum, both the Faculty Senate Steering Committee and the administration are satisfied that there are no provisions in the current MOU that restrict academic freedom or interfere with faculty governance on this campus. As the ad hoc committee of the Faculty Senate stated in 2011, "...external funding and expertise are celebrated and eagerly solicited by the university, with proper controls. We could not do our work without such generous support." We have the proper controls in place, and we will continue to work with the faculty and staff to improve them.



THE FLORIDA STATE UNIVERSITY  
FACULTY SENATE

December 12, 2014

MEMORANDUM

To: Sally McRorie, Ph.D.  
Vice President for Faculty Development and Advancement

From: Gary S. Tyson, Ph.D.  
Faculty Senate President

RE: Review of the February 2013 Memorandum of Understanding between the Charles Koch Foundation and the FSU Board of Trustees

I asked the FSU Faculty Senate Steering Committee to review the 2013 Memorandum of Understanding (2013MoU) between the Charles Koch Foundation and the FSU Board of Trustees. The purpose of this review was to evaluate whether the 2013MoU conforms to the policies and procedures related to faculty governance at FSU, and whether the 2013 MoU implemented the recommendations in the report of the 2011 Task Group charged by President Eric Barron to review the original 2008 agreement between the Koch Foundation and the FSU BOT. In addition to reviewing the 2013MoU, we discussed the implementation of the 2013MoU with Dean David Rasmussen and Professor and Economics Chair Mark Isaac. The opinion of the Senate Steering Committee membership is that the 2013MoU is consistent with the regulations defining shared governance as specified in the Constitution, and unit bylaws at Florida State University and that the 2013 MoU has effectively implemented the recommendations of the 2011 Task Group. We do not believe that the 2013MoU interferes with faculty governance, nor restricts academic freedom of faculty or students.

GST

Cc: Dean David Rasmussen  
Professor Mark Isaac